GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:2112
ANSWERED ON:14.12.2004
EXEMPTION OF CUSTOM/EXCISE DUTY ON MEDICINES
Gadhavi Shri Pushpdan Shambhudan

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

e:

(a) whether Custom Duty and Excise Duty exemption have been granted to large number of Life Saving Drugs;

(b) if so, the names of the Drugs which have been granted such exemptions and the criteria used therefor; and

(c) the steps taken by the Government to ensure that the benefit of tax exemption reaches the poor?

Answer

THE MINISTER OF CHEMICALS AND FERTILIZERS & MINISTEROF STEEL (SHRI RAM VILAS PASWAN)

(a)and (b): The Government have exempted from custom duty all the drugs appearing in List 4 of Custom Notification No.21/2002 dated 1.3.2002, as amended. These drugs have also been exempted from excise duty vide Excise Notification No. 6/2002 dated 1.3.2002, as amended.

(c): The 74 bulk drugs specified in the First Schedule of the Drugs (Prices Control) Order, 1995 (DPCO, 95) and the formulations based thereon are under price control and their prices are fixed/revised by the National Pharmaceutical Pricing Authority (NPPA) in accordance with the provisions of the DPCO, 95.

Price of non-Scheduled formulations are fixed by the manufacturers themselves keeping in view the various factors like cost of production, marketing/selling expenses, R&D expenses, trade commission, market competition, product innovation, product quality etc. The Government takes corrective measures where the public interest is found to be adversely affected.